97-84114-1

Cavalcanti, Amaro

Pan-American questions

Rio de Janeiro

1913

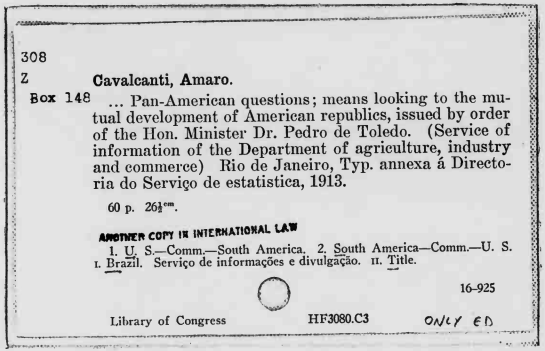
97-84114-1

MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD



308
Z
Box 148

Cavalcanti, Amaro.

... Pan-American questions; means looking to the mutual development of American republics, issued by order of the Hon. Minister Dr. Pedro de Toledo. (Service of information of the Department of agriculture, industry and commerce) Rio de Janeiro, Typ. annexa á Directoria do Serviço de estatistica, 1913.

60 p. 26½cm.

ANOTHER COPY IN INTERNATIONAL LAW

1. U. S.—Comm.—South America. 2. South America—Comm.—U. S. I. Brazil. Serviço de informações e divulgação. II. Title.

16-925

Library of Congress HF3080.C3 ONLY ED

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 12:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 6/9/97 INITIALS: TLM

TRACKING # : MSH 22986

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

2.5 mm 1234567890

2.0 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

1.5 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

PM-MGP
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC

200 mm

150 mm

100 mm

A5

A4

A3

1.0 mm

1.5 mm

2.0 mm

2.5 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

PRECISION℠ RESOLUTION TARGETS

A&P International
2715 Upper Afton Road, St. Paul, MN 55119-4760
612/738-9329 FAX 612/738-1496

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

4.5 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ
3.5 mm abcdefghijklmnopqrstuvwxyz1234567890

President's Office
SEP 2 1914
308
Box 148

Amaro Cavalcanti

Pan-American Questions

MEANS LOOKING TO THE
MUTUAL DEVELOPMENT
OF AMERICAN REPUBLICS.

Issued by order of the Hon. Minister

Dr. Pedro de Toledo

(Service of information of the Department of Agriculture, Industry and Commerce)

BRAZIL
RIO DE JANEIRO
Typographia annexa á Directoria do Serviço de Estatistica
1913

Ministerio de Agricultura, Industria e Commercio
Serviço de Informações e Divulgação
RIO DE JANEIRO
16-9

Dr. Amaro Cavalcanti, Justice of the Supreme Court of the United States of Brasil, is author of several works on education, finance, politics, jurisprudence and international law. He also has been: Ex-Senator Federal, ex-Minister for Justice and the Interior, ex-Minister Plenipotenciary, ex-Counsellor for the Secretary of Foreign Affairs, ex-Delegate of Brasil to Third International American Conference at Rio de Janeiro, & &.

AMARO CAVALCANTI

Pan-American Questions

MEANS LOOKING TO THE MUTUAL DEVELOPMENT OF AMERICAN REPUBLICS.

Issued by order of the Hon. Minister

DR. PEDRO DE TOLEDO

(Service of Information of the Department of Agriculture, Industry and Commerce)

BRAZIL
RIO DE JANEIRO
TYP. ANNEXA Á DIRECTORIA DO SERVIÇO DE ESTATISTICA
1913

PAN-AMERICAN QUESTIONS

Means looking to the mutual development of American Republics

This article is intented to be, for the most part, a brief recapitulation of what has been wisely said or written on the subject-matter. So doing, I serve the purpose of showing that the ideas and means looking to the mutual progress of the American Republics have been long since suggested, discussed and recommended by leading-men and trade organisations of such Republics, even by their representatives when assembled in Congresses; that,

in spite of it they continue awaiting their carrying into effect until the present day.

There are numerous and most reliable documents of all kinds in support of this assertion.

Indeed, already amongst the several resolutions, as adopted by the First International American Conference held in Washington in 1889-90 with a view to facilitating the growth of trade and commerce between the American Republics, are worth mention the following: — *a*) recommending to the Governments concerned the subsidizing of one or more lines of steam navigation between the ports of the United States and those of Brazil and Rio da Prata; *b*) recommending to the Governments of the Countries bordering on the Pacific Ocean, that they promote among themselves maritime, telegraphic and postal communications, taking into consideration the propositions formulated in the Report of the Committee on Communication on the Pacific; *c*) recommending the construction of an intercontinental railway, by which all of the Republics would be put into rail communication with each other; *d*) recommending to the Governments the granting of liberal concessions to facilitate inter-American banking and especially such as may be necessary for the establishment of an International American Bank; *e*) recommending the adoption

of a uniform system of customs regulations in each of the American Republics to govern the mode of importation and exportation of merchandise and port-duties and charges, — a uniform method of determining the classification and valuation of such merchandise in the ports of each country, — a uniform system of manifests of vessels and consular invoices, and the like; *f*) recommending to the Governments the adoption of a common nomenclature, which should designate, in alphabetical order and equivalent terms, in English, Portuguese and Spanish, the commodities, and also to serve as a basis for shipping manifests, consular invoices and other customs documents; *g*) recommending the adoption of the metrical decimal system to the American Nations, which have not already accepted it, and even an «International American Monetary Union»; and other recommendations directly relating to the welfare of the several Republics.

In the Second International American Conference held at the city of Mexico in 1901-1902 prevailed the same harmony of views tending to facilitate trade and communication in every way between the American Republics. Hence were adopted by that Conference, among others, the following resolutions, and conventions: *a*) resolution favoring the construction

of the Pan-American Railway; *b*) resolution providing for an International American customs Congress with the view of adopting means to facilitate American International Commerce; *c*) resolution providing for the collection and publication of more complete information regarding the sources of production and statistics of the American Republics; *d*) recommendation for the establishment of an International American Bank; *e*) convention on the practice of the learned professions; *f*) convention on litterary and artistic copyrights; *g*) convention for the formation of codes of public and private International American Law; *h*) a treaty on patents and trade marks, etc., etc.

In addition, it is to be noted, that President Roosevelt, in his instructions to the Delegates of the United States to the Second International American Conference, has made, regarding commercial question, this expressive recommendation:

«With reference to questions of a commercial and industrial character, it is important to lay special stress upon the growing desire in the United States to secure the largest mutuality of interest and to avoid even the semblance of an attempt to obtain unfair advantages for ourselves. The true interest

of our people, it is being more and more generally admitted, lies in helping the Latin-American Countries with our more advanced industries and our characteristic forms of energy to expand into strong and flourishing communities, and not in seeking to aggrandize ourselves at their expense. In developing closer relations with them we should be most careful of their autonomy. The most beneficent form of Pan-Americanism for ourselves, as well as for our sister Republics, will be found in a free local development over entire Continent. If the influence of the United States spreads southward, it will be a pacific not a hostile influence». (1)

Also the interest and effort manifested by the Third International Conference held in Rio de Janeiro in 1906 and the Fourth held in Buenos Aires in 1910, with regard to the same matter, were evidently more intensive, than in the two Conferences held before. They not only reaffirmed the recommendations of such Conferences, but also endeavored at once to suggest and enlarge a convenient basis: — for

(1) Report of the Delegates of the U. States to the Second Intern. Conference of American States, held at the City of Mexico, from October 22, 1901 to January 22, 1902.

the establishment of additional lines of rail and water communication ; for the adoption of standart forms for consular documents, and of a uniform scale as to the amount of consular fees ; for the simplification of custom-house and ports regulations ; for more complete information and publication of trade and commercial statistics, and the like.

Further, the Third and the Fourth Internacional American Conferences adopted in a difinitive way several conventions such providing — for the construction of the pan-american railway : — for the formation of codes of public and private international law: — for the reciprocal recognition of the professional diplomas and titles granted in the several Republics: — for the international recognition and protection of the rights of litterary and artistic property, of the rights on patents of invention, industrial drawings and models, and trademarks: — for the adoption of rules on sanitary matters, etc., etc.

To judge of the confidence with which such Conferences have worked, it is enough to say that all of the items of their programmes were transformed into so many resolutions and conventions, and those unanimously approved by the representatives of the Republics, represented therein.

— But the belief in the suggestions and means, as stated, tending to increase the prosperity of the American Countries and bring them into closer trade relations with each other, has not been only expressed by the Congresses of those Republics. Also in the opinion of practical business-men and organisations, composed of skilled producers, merchants, and capitalists, there is nothing better to be done, than to carry such suggestions and means into real execution.

In the Trans-Mississipi Commercial Congress held in Kansas City in November, 1906, Hon. Elihu Root, the most competent man, I believe, on the matter, has urged the steam navigation between the ports of North and South America under the American flag, and the establishment of American banking houses in each of the principal cities of the South American States, as being the most profitable measures of immediate importance.

According to this view, the Americans already engaged in South American trade could well afford to subscribe the capital and establish an American Bank in each of the principal cities of South America. This is, he said, first, because nothing but very bad management could prevent such a bank from making money ; *capital is much needed in those*

cities, and 6, 8, and 10 per cent can be obtained for money *upon just as safe security as can be had in* Kansas City, St. Louis, or New York. It is also because the American Bank would furnish a source of information as to the standing of the South American purchasers, to whom credit may be extended; and because American banks would relieve American business in South America from the disadvantage which now exists of making all its financial transactions through Europe, instead of directly with the United States. It is unfortunately true that among hundreds of thousands of possible customers *the United States now stands* in a position of assumed financial and business inferiority to the countries through whose banking houses all its business has to be done.

As regards the steam navigation in particular, he added: It is absolutely essential that the means of communication between the two Countries should be improved and increased. This underlies all other considerations and it applies both to the mail, the passenger, and the freight services. Between all the principal South American ports and England, Germany, France, Spain, Italy, lines of swift and commodious steamers ply regularly. There are five *subsidized first* class mail and passenger

lines between Buenos Aires and ~~the United States~~ Europe... Within the past two years the German, the English and the Italian lines have been replacing their old steamers with new and swifter steamers of modern construction, accommodation, and capacity.

« In the year ending June 30, 1905, *there entered the port of* Rio de Janeiro steamers and sailing vessels flying the flag of Austria-Hungary 120, of Norway 142, of Italy 165, of Argentina 264, of France 349, of Germany 657, of Great Britain 1,785, of the *United States no steamers, and seven sailing vessels*, two of which were in distress.

« An English firm *runs a small steamer* monthly between New York and Rio de Janeiro; the Panama Railroad Company runs steamers between New York and the Isthmus of Panama; the Brazilians are starting for themselves a line between Rio and New York; there are two or three foreign concerns running slow cargo boats, and there are *some foreign tramp steamers*. That is the sum total of American communications with South America beyond the Caribbean sea. Not one American steamship runs to any South American port beyond the Caribbean sea.

« During the past summer, I entered the ports of Pará, Pernambuco, Bahia, Rio de

Janeiro, Santos, Montevideo, Buenos Ayres, Bahia Blanca, Punta Arenas, Lota, Valparaiso, Coquimbo, Tocopilla, Callao and Cartagena all of the great ports and a large proportion of the secondary ports of the Southern Continent, *I saw only one ship besides the cruiser* that carried me, flying the American flag. The mails between South America and Europe are swift, regular and certain; between South America and the United States, they are slow, irregular, and uncertain.

« *Six weeks is not an uncommon* time for a letter to take between Buenos Ayres or Valparaiso and New York. The merchant who wishes to order American goods can not know when his order will be received or when *it will be filled*. The freight charges between the South American cities and American cities are generally and substantially higher than between the same cities and Europe; at many points the deliveries of freight are uncertain and its condition upon arrival doubtful. The passenger accommodations are such as to make a journey to the United States a trial to be endured, and a journey to Europe a pleasure to be enjoyed. The best way to travel between the United States and both the southwest coast and the east coast of South America *is to go by way of Europe crossing the Atlantic twice*.

« It is impossible that trade should prosper or intercourse increase or mutual knowledge grow to any great degree under such circumstances. The communication is worse now than it was twenty five years ago.

« So long as it is left in the hands of our foreign competitors in business, we can not reasonably look for any improvement. It is only reasonably to expect that European steamship lines shall be so managed as to promote European trade in South America rather than to promote the trade of the United States in South America...

« *The true remedy* and the only remedy is the establishment of American lines of steamship between the United States and the great ports of South America, adequate to render fully as good service as is now afforded by the European lines between those ports and Europe.» (2)

— Of the same understanding was the Postmaster-General Cortelyou, saying in his Report for 1905, as follows:

This is especially true in regard to several of the Countries of South America, with which we have cordial relations and which,

---

(2) « *Speech on Commercial Relations with South America.* »

for manifest reasons, should have direct mail connections with us. I refer to Brazil and Countries south of it. Complaints of serious delay to mails for these Countries have become frequent and emphatic, leading to the suggestion on the part of certain officials of the Government that for the present *and until more satisfactory* direct communication can be established, important mails should be dispatched to South America by way of European ports and on European steamers, which would not only involve the United States in the payment of double transit rates to a foreign country for the dispatch of its mails to countries of our own hemisphere, but might seriously embarrass the Government in the exchange of important official and diplomatic correspondences.

« The fact that the Government claims exclusive control of the transmission of letter mail throughout its own territory would seem to imply that it should secure and maintain the exclusive jurisdiction, when necessary, of its mails on the highseas. The unprecedented expansion of trade and foreign commerce justifies prompt consideration of an adequate foreign mails service. »

— The same thing as been equally recognised by President Roosevelt, who in his message to Congress in 1906 said :

« It can not but be a source of regret and uneasiness to us, that the lines of communication with our sister Republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe, if they wish security and dispatch. »

In this connection, also President Taft in his message of December, 1909, spoke : « I earnestly recommend to Congress the consideration and passage of a ship subsidy bill looking to the establishment of lines between our Atlantic sea-ports and the east and west coast of South America, as well as lines from the west coast of the United States to South America. »

Besides the opinion and interest, as expressed by President Roosevelt and President Taft, said measures respecting steam navigation have been, at the same time, recommended by Postmasters General Cortelyou, Meyer and Hitchcock; Secretaries of Commerce and Labor Cortelyou, Straus, Metcalf and Nagel; Admiral Dewey, President of the General Board of the Navy Department; also several organisations such as — The National Board of Trade, National Association of Manu-

faturers, The American Banker's Association, The American Cotton Manufacturer's Association, and Boards of Trade and Chambers of Commerce of the principal cities of the United States. By adopting resolutions, those organisations endeavored specially to encourage the establishment of regular American lines of mail steamers to South America (*).

It will be seen hereinafter what luck has fallen to the so-called ship subsidy bill, as recommended to Congress by the President Taft and others...

—

From the stated and quoted above, which covers the most important points of the subject under consideration, it will appear, that the question up to-day is no longer that one of knowing what are the adequate means to be adopted to increase the trade and commerce between the several American countries, but the only one how to make such means effective by a steady and sucessful carrying out of them.

I. First of all, it must be admitted, as a

(*) *Annals of the American Academy of political and social science*, May 1911.

fact of common experience, that the thing cannot be done by the resolutions and conventions of international conferences alone, or by speeches in congresses of any trade or commercial organisations, even by the Governments of the several Republics themselves. The former may, of course, suggest and adopt the ways and means, they consider the most capable of good effect; the latter may, on their part, much contribute, no doubt, for the carrying out of such means. But all of this will be useless, unless accepted and used by individuals. Without the effort and steady cooperation of individuals, induced by the interest and profit of their own business affairs, nothing can be reached in a satisfactory way.

Mutual interest, mutual confidence, mutual profit of individuals, such are the primary conditions, upon which depends, above all, the success of the great problem.

Up to the present time, the relations among the several American Republics, namely, between the United States and those of South America, have been, for the most part, rather of political or diplomatic character than of social and economic intercourse. The former are of most importance to maintain friendly relations between the Governments and their States; but only the latter may furnish the

conditions of mutual development and wealth of the nations concerned.

It is obvious, that there cannot be mutual interest and mutual confidence on business relations among individuals or classes of individuals, unless they have a frequent intercourse, a common understanding, at least, as regards the particular business, in which they are or desire to be engaged; on the other hand, it is unnecessary to say, that the increasing of personal communication is just the right or rather the only way to arrive at such end.

Therefore, no one can gainsay, that the first of the conditions,—that one serving as an open door for coming business-undertakings and enterprises, and that, which has been already set forth in many documents of every kind, and urged by countless newspapers and magazine articles, — is to bring about the effective means of closer communication among all of the States of the American Continent. This being the case, and as it is not possible at present to expect nothing in that direction from the «pan-american railway» it becomes indispensable to carry into effect a service of fast and regular steamship between South and North American Countries.

For the accomplishment of that purpose the Governments of the several Republics can,

undoubtedly, contribute, not only in the form of a subsidy or subvention, but also by the adoption of customs and port regulations of a character to facilitate, as much large as possible, the conditions of navigation in all of the ports of such Republics.

There is nothing to impede, that even a common legislation would be, since now, adopted by the American Governments on this matter, whereas the same has been already thoroughly discussed and settled by the International American Conferences.

In my humble opinion, there is a particular justification for the granting of a just subsidy or subvention by the American Governments, each one according to its resources and immediate interest in the case, with the view of fostering their steamship lines.

Under the present conditions, the amount of capital to be invested in the buying or building up of the needed ship-steamers should be a very large one; and though the increase of lines will certainly stimulate a corresponding growth of commercial intercourse of persons and merchandise, yet it is not to be expected that the shipowners or the shipbuilders may get in the beginning any reasonable compensation for their invested capitals.

Moreover, if different nations of the World,

namely of Europe, as England, Germany, France, Italy, Austria-Hungary, Spain and others continue to develop their trade or to promote their shipbuilding industry by the payment of high subsidies; why not to be done the same thing by the American Nations still lacking in this indispensable condition for their own development and prosperity ?

It has been very often called the attention for the fact, that the best way to travel between Buenos Aires or Rio de Janeiro and the United States is, until now, to go by way of Europe, crossing the Atlantic twice. Suffices such a single fact to give an adequate idea of the real situation of American steam navigation...

II. — Next to the lack of steam lines does come the want of North American banking houses, as very often urged, in the principal cities of South America. As it has been suggested, these, not only, would facilitate the mutual interchange between the several States, but also would serve as reliable agents of information and elements of confidence in the respective transaction. The Argentinns merchant, as well as the American exporter and importer would undoubtedly consider, as better assurance, having to settle their accounts through banks, formed with capitals of their own countries, managed by their fellow-countrymen, than through banking agencies of foreign nations. Unfortunately in regard to this point, the thing remains in such a way, that in a so large market, as Rio de Janeiro city, where there are several banks, formed with capital of the leading europeans nations, no one there exists belonging to individuals of American Nations.

So that the remittances, the balances of accounts, and other transactions of the kind are, all of them, to be made by European banks directly or by their agencies, as existing in Brazil. It will be unnecessary to add, that no better condition prevails in the principal cities of the other South American countries.

III.—But a greater difficulty, which cannot be surmounted by the most South American countries, is that resulting from lack of capital for their economic and financial needs.

Almost all of these countries continue to want even the necessary capital for the improvement of their domestic trade and commerce; there being in consequence no surplus for any investment beyond their frontiers. As every body knows, the South American Nations are still in the condition of debtor nations, that is, nations still constrained to borrow from other richer and more prosperous the capital, they are wanting for the exploitation of the re-

sources, which the nature has so abundantly deposited in their lands.

Only one American Nation there exists to-day, which, by its enormous already accumulated wealth, is in position of making investment in the sisters Republics of the Continent, — it is the United States of America.

The growth of its production and the extent of its riches have, in the last years, attained at a degree, that it is not possible to continue to apply the enormous surplus-capital to reproduction in its own land.

In the language of its Statesmen, the North American Nation has paid its debts, and has become a creditor instead of a debtor nation. Having thus entered the ranks of the investing nations, it looks now beyond its own borders to find opportunity for the profitable use of its surplus capital, foreign markets for its manufactures, foreign mines to be developed, foreign bridges and railroads and public works to be built, foreign rivers to be turned into electric power and light (1).

As we know, all of this may be plentifully exploited in most of the South American States.

It will be, therefore, the great and profitable task of the American Republic of the

(1) Elihu Root, «*Speech as quoted above*».

North to take the lead in such a work looking to the increase of wealth in the territory of her sisters in the South.

And I am, indeed, much gratified by seeing, that the North-American Governments, many leading Statesmen, many practical business men, are sincerely persuaded of the advantage of creating a new or stronger force in this direction.

The success will require, of course, the previous overcoming of some difficulties and current misconceptions. People, and, perhaps more than people, the individuals, go willingly where their interest and profit call them. Therefore, where to each one is offered a founded reason for his confidence and the expectation of advantage and profit resulting from a particular business, — the actions and facts concerned shall lead by themselves to the aimed result.

Speaking so, I intend to remember that the conditions of commerce, as long since existing between some European nations and South American Republics, cannot fail to influence as a certain difficulty to a more rapide increase of trade with the United States. It was from Europe, that such Republics have learned the commercial practices and businesses, which they have mantained untill now: it was from Europe, that such Republics have brought the

system of credit, which they use in their trade and commerce. For these reasons, no doubt can be admitted, that the commercial relations of the European countries with South American Nations will continue in the same or larger footing, as well as it happens between the United States and the several nations of Europe. Therefore it is very important for the North American producers and exporters that wish to send their goods and merchandise to the South Americas markets, to bear in great consideration, that such goods and mercandise, by their quality and price, may be likely to get preference on the part of the customers concerned.

It is manifest, that there will not be any reason for fear, that the European importation should continue to be preferred in the South American markets, notwithstanding the better condition of the American importation.

IV. No more questioned, that there is a sincere interest on the part of all of the American Republics to co-operate with each other for the mutual progress and development, it follows, as main point, the necessity of information, as much complete as possible, on the real conditions of their trade, commerce, and industrial enterprises; — on the usual modes by which they are managed in the internal and foreign interchange ;— on the principal import

and export articles; — on the quality and price of such articles, and on other data, so that importers and exporters, producers and customers may be enabled to know what may, or may not, correspond to their reciprocal needs and interest.

It is not enough to send first-class merchandise to the markets of another country ; or to receive foreign products in return. It is not sufficient to open large stores for the receiving of stocks coming from great producers abroad. It is necessary, above all, to have realiable motives of expectation, that such stocks will have a corresponding demand in the internal markets.

For the purpose of learning what South American people want, and securing their attention to the North American goods, the way to be adopted is this, — that North American producers and merchants visit their customers in South America, either in person or through their agents, in order that they become closer acquainted with each other, for, personal relations are to be counted among the most potent in leading business affairs.

Also to this purpose, the several Governments can much contribute by the organisation of trade and commercial statistics, as complete as possible, in which it is to be includ-

ed, not scarcely, the gross figures of quantities and values, but such figures in their different sections, subordinate items, and particular details of the several business branches and articles concerned.

— In the most part of South American Countries, Brazil included, there is not a complete service of statistics, especially regarding their natural resources and raw-products, and internal trade and commercial concern, notwithstanding the general recognition of its usefulness for every undertaking of the kind.

I am not a statistician, and if I were, I should not permit myself to show now, with a long series of figures, the detailed conditions of the South American States in this respect.

But it is to my mind of a convenience to the object of the present article, that I should add here the following data and information relating to my own country.

— Brazil, the largest Country of South America, occupies an area of 8.524.776 square kilometres, longer than three fourths of Europe, and borders on all the other countries of this hemisphere, with the exception of Chili and Ecuador.

Its coast stretches along the Atlantic Ocean towards the N. E., the S. E. and the E. in a

extention of 6.000 kilometres, where there are numerous good anchoring places, and large bays and safe ports for ships of more than six metres (19 1/2 feet). It has also a large number of important rivers, either on account of their length, or of the volume of their waters and, further, a great number of lakes, lagoons and pools along the whole of the coast nearly all navigable.

Almost the whole of the Brazilian territory forms a vast upland 300 to 1.000 metres in altitude, with valleys and plains watered by a number of large streams, many of which are obstructed by rapid water falls.

Being so vast, it naturally comprises distinct zones, in which the climatic conditions are very different ; but, although it is situated almost entirely between the Ecuador and the Tropic of Capricorn, far from being composed of large hot zones, Brazil possesses great masse of ground situated at such altitudes that they enjoy temperatures which are most agreable and favourable to mankind. (3)

Its population does not exceed to..... 25.000.000 inhabitants to-day.

No other country in the World is known,

---

(3) Opinion of the geologist Orville A. Derby.

which has received from Nature a larger amount of riches and resources for the development of every industry, than Brazil.

As to *extractive industries,* besides other elements, it is to be indicated the following : huge forests which Agassiz, Humboldt and other eminent naturalists have considered the richest and most luxuriant in the World, from which may be extracted the best woods not only for artistic and beautiful furniture, but also to be used in naval construction ;— numerous medicinal plants; raw-products for dyeing, tauning, and for the extraction of oils, as barks, roots, resins, seeds, and leaves of great commercial value ; — fibers, vines, ruthes and canes, from which the finest of ropes, baskets, hats, brushes, brooms, mats, paper, tissues and other commodities are manufactured ; rubber, furnished by the trees *seringa*, *tapurú*, *caucho*, *mangabeira*, and *maniçoba*; *herva-matte*, providing a drink analagous to tea of a most agreable taste, and which has also great hygienic properties; — gold, manganese, iron, copper, and zinc, marble, coal, monazitic sands, bituminous schists, asbestos, crystal, graphite, plombagine, mica, talc, soapstone, argilittes, diamantiferous and plantiniferous sands, galene, cinabre, calcareous faldspath, mercury, lead, diamonds, tin, sulphur; coloured gems,

salpetre, ochre, lignits, salpits, natural mineral waters, and still other various ores and mineral products.

According to the information of the Office of Commercial Statistics, the exportation of few products of the extractives industries in the year 1912 has been, as follows : rubber 42.286.098 k., in the value 241.425:372$ v. p.; manganese 154.870 t., value 3.445:857$ v. p.; gollingots 4.026.775 g., value 6.539:555$ v. p.; monazitic sand 3.397.780 k., value 1.629:350$ v. p.; piaçava 1.581.500 k., value 702:745$ v. p.; herva-matte 62.880:393 k., value 31.538:518$ v. p.; feathers 5.342.242 g. value 91:749$ v. p.; various woods with the value 1.611:530$, v. p.

—As to *farming industry* and *live stock breeding*. With a land capable of the largest production of every kind for such industries, Brazil has not yet reached the development in this direction, as it were to be expected from its abundant soil. Its principal agricultural products are: coffee, cotton, sugar, cocoa, tabacco, beans, corn, haricots, rice, wines, tropical fruits and a few others. Of cattle raising, there are various bovine species, horses, asses and mules, sheep, goats, and pigs throughout the whole of the country. In the States of Rio Grande do Sul, and Matto Grosso, especially

in the former, there are establishments, called *Xarqueadas* where, the meat is salted and prepared for exportation. The xarque *(salted meat, dessicated meat)* plays a very important part in the food of Brazil, where enormous quantities of it are consumed.

The exportation of a few of such products has been in 1912 the following : coffee..... 12.080.303 s., value 698.731:183$ v. p.; cocoa 30.492.413 k., value 22.966:106$ v. p.; cotton 16.773:942 k.. value 15.560:935$ v. p.; hides and leathers 36.255.004 k., value 30.177:264$ v. p.; various skins 3.189.058 k., value..... 11.272:521$ v. p.; tobacco 24.705.584 k., value 21.515:574$ v. p.; wool 1.904.467 k., value 1.713:828$ v. p.; sugar 4.771.797 k., value 840:809$ v. p.; flours *(not corn flour)*, 4.431.035 k.,value 571:149$ v.p.; various fruits in the value 8.916:327$ v. p, ; dôces (*sweet meat, confects)* with the value 217:692$ v. p.

As to *manufacturing industry*. The development of the manufacturing industry in Brazil in the last twenty years is a fact proved by the most reliable documents and figures, although its production does not yet respond to the requirements of internal consumption.

—The following table shows the situation of the principal merchandises of the national

industry when compared with the imports in 1911 :

VARIOUS ARTICLES	Imports value	Value of the national production	Difference
Cotton textiles	76.708:000$	139.567:000$	+ 62.859:000$000
Woollen textiles	12.431:000$	11.375:200$	— 1.055:000$000
Prepared leathers	2.818:000$	15.861:000$	+ 13.043:000$000
Wrappers	970:000$	22.389:000$	+ 21.419:730$000
Silk textiles	3.906:543$	1.042:320$	— 2.864:223$000
Silk ties	157:000$	3.370:000$	+ 3.213:000$000
Wooden furniture	2.204:000$	12.010:000$	+ 9.806:000$000
Shoes and boots	1.249:000$	32.066:000$	+ 30.817:000$000
Perfumes	5.364:000$	3.516:000$	— 1.848:000$000
Hats	2.232:000$	17.384:000$	+ 15.152:000$000
Parasols and umbrellas	1.228:000$	4.062:000$	+ 2.834:000$000
Prepared tobaccos	78:000$	21.753:000$	+ 21.575:000$000
Artificial flowers	164:000$	1.697:000$	+ 1.533.000$000
Matches	2:000$	21.475:000$	+ 21.473:000$000
Trunks and bags	361:000$	3.542:000$	+ 3.181:000$000
Pottery	4.410:000$	10.906:000$	+ 6.496:000$000
	114.282:543$	322.016:050$	+ 207.733:507$000
FOOD ARTICLES			
Sugar	104:000$	74.045:000$	+ 73.941:000$000
Lard fat	344:000$	13.545:000$	+ 13.201:000$000
Biscuits	244:000$	4.457:000$	+ 4.213:000$000
Beer	720:000$	24.602:000$	+ 23.882:000$000
Chocolate and confects	284:000$	11.404:000$	+ 11.120:000$000
Vinegar	156:000$	384:000$	+ 218:000$000
Xarque (dissecated meat)	14.400:000$	38.800:000$	+ 24.400:000$000
Food pastes	44:000$	6.417:000$	+ 6.373:000$000
Salt	1.676:000$	3.126:000$	+ 1.450:000$000
Butter and cheese	7.094:000$	7.073:000$	— 21:000$000
	25.076:000$	183.853:000$	+ 158.777:000$000
	114.282:543$	322.016:050$	+ 207.733:507$000
TOTAL	139.358:543$	505.869:050$	+ 366.510:507$000

The foregoing figures will enable the reader to judge of the present conditions of the business on either side.

One thing is since now certain, this is, that the Brazilian manufacturing industry perhaps within a short time will be able to dispense with the importation of various articles, which have been above enumerated.

The articles, as indicated, do not represent but a small portion of the goods produced by the several manufacturing establishments, now existent throughout the Country.

The total number of these, according to the most reliable information, is 3.664, with a capital (altogether) — 727.719:771$, and performed by 168.764 workingmen.

From amongst such, is to be indicated : — spinning and weaving mills 194, c. 268.770:903$, op. 51.992, an. p. 171.110:918$, of which are for cotton textiles — 161, c. 234.428:403$, op. 45.942, an. production 135.025:668$; — sugar mills (*usinas*) 199, c. 74.061:589$, op. 13.136, an. p. 67.257:368$; gaseous and alchoolic drinks 145, c. 6.630:971$, op. 1.655, an. p. 9.211:658$; shoes and boots 119, c. 10.117:000$. op. 7.379, an. ap. 26.726:900$; beer, 186, c. 27.555:800$, op. 2.942, an. p. 22.686:290$; prepared tobacco 104, c. 12.950:919$, op. 7.407,

an. p. 20.318:785$; — foundries 169, c. 22.964:000$, op. 6.861, an. production 31.625:240$; butter and cheese 138 c. 2.996:700$, op. 981, an. p. 6.998:749$; corn and grains mills 100 c. 16.416:300$, op. 1.499, an. p. 39.359:500$; prepared leathers 108, c. 9.485:000$. op. 1.967, an. p. 15.091:100$; pottery 179, c 10.547:305$, op. 2.533, an. p. 10.363:000$; saw mills and carpenter's shops 197, c. 14.488:000$, op. 3.766, an. p. 31.379:000$; furniture 85, c. 6.033:000$ op. 2.813, an. production 11.760:000$; food pastes 87, c. 2.602:290$, op. 683, an. p. 3.897:985$; wines 104, c. 2.877:500$, op. 1.316, an. p. 4.870:340$; hats 46, c. 10.417:000$, op. 3.105, an. production 15.384:200$; transport materials 31, c. 8.429:600$. op. 1.718, an. p. 11.013:884$; soap and candles 91, c. 15.145:600$, op. 1.763, an. p. 22.039:715$; dissecated meat 26, c. 6.277:000$, op. 3.782, an. p. 38.769:300$; and others. (6)

As to *internal trade and foreign commerce*. There is no regular service of statistics with special regard to internal commerce. Only a few informations of general character and

(6) «Brazil and its natural riches and industries» by the *Centro Industrial do Brazil*.

others regarding the particular moviment of the market of Rio de Janeiro are to be mentioned under such head.

Not speaking of the common roads and village roads existing everywhere throughout the Country, there exist in Brazil 22.286 kilometres of railway in operation, and 31.201 kilometres with their studies already prepared and approved. In 1910 their receipts amounted to 116.023:724$700, of which 65.430:280$ belonging to the Federal Treasure, as a revenue from the Union's railways.

The total expenses in the same year with railways were: 63.997:810$360, relating to those belonging to Union, and 34.990:006$770 relating to those belonging to various companies and private corporations.

— As *regards the navigation* from place to place, generally made by sailing vessels between ports of the same State or of neighbouring States, it represents an important part of maritime shipping, by openning up the smallest ports along all the Brazilian coast.

The movement of the national ships in the coasting trade in 1912 has been: — entries 19.961 with 9.967.835 tons; — clearings 19.956 with 9.960.240 tons. On the navigation of numerous rivers in the interior of the Country, though very frequent and

large, I am not able to give convenient data or information. To the coast navigation also concur, in a certain way, foreign ships, specially English, German, and French ships which most frequently are running the Brazilian coast.

The Brazilian ships belong to several private companies and corporations or commercial firms; there being 19 national companies of navigation, to which are granted subsidies by the Government. These have 163 steamers with 174.705 tons, — all of them first and 2nd class passenger and freight steamers. Almost the entire service of navigation by national ships is confined to large and small coasting voyages; only one line — «*Novo Lloyd Brasileiro*» maintains monthly voyages between Brazilian ports and those of Montevidéo, and Assumption in Paraguay, and, two between Rio Janeiro and New York, but the latter scarcely made by freight steamers.

— The *telegraph lines*, belonging to the Federal Government, as existing in 1911, are in the extension of 30.436 kilometres. There are, further, the several telegraph lines of the different railways and sub-marine and subfluvial cables. Also of recent date, there is a service of radiogramme performed by various stations in the Country.

In *regard to financial movement,* as referring only to the market of Rio de Janeiro, it is to be noted the following : at the end of 1911, its thirteen most important banks presented these figures : — cash on hand at banks..... 90.951:086$351 ; — bills discounted..... 146.204:425$428 ; — accounts current and loans 187:003$426 ; — bills receivable and bills for collection 102.775:465$644 ; — deposits in current account 270.196:808$875 ; — fixed deposits 354:213$907 ; — deposits in account with notice 34.880:863$716. The dividends distributed by several banks, companies and enterprises, as published, have been in the year 1912 to the total of..... 33.973:074$481. The amount of capital of the different banks, and private corporations, the shares of which are negotiable in the stock-exchange of Rio is 1.065.056:430$000, so distributed : banks 277.412:900$000 ; different companies and enterprises — 353.286:130$ railway and transport companies 302.297:400$; insurance companies —27.300:000$; — spinning and weaving companies — 104.760:000$ — The increasing of foreign commerce in all of the States of Brazil has been, in the last years, a fact of irrecusable evidence.

In the only port of Rio de Janeiro entered 1534 foreign ships during the year of 1911,

—1919 during 1912, and until may of this year, 948, what promises an annual average of 2.200 ships.

The navigation between Brazil and countries abroad is nearly exclusively made by foreign ships of which were registered in 1912 — 6272 entries with 16.538.048 tons, and 6285 clearings with 16.460.101 tons under the flags of the following countries : England — 2868, Germany 1191, France 381, Italy 353, Austria-Hungary 195, Argentina 564, Norway 196, Holland 137, Sueden 60, Denmark 50, Uruguay 81, Russia 24, Paraguay 20, Belgium 42, Chili 10, Spain 46, Bolivia 8, Greece 4, Japan 2, Portugal 9, Perú 3, Mexico 1, United States 18 (with 4.799 tons).

The amount value of importation in 1912 (7) was 951.369:558$ v. p. or..... 563.774:552$ v. o. — so distributed into these classes : *a*) live stock 5.680:834$ v. p. or 3.366.420$ v. o. ; *b)* raw materials for manufacturing industry and arts 190.280:914$ v. p.

---

(7) The value indicated is that of the marchandise on board. The unit used is *mil réis paper* or *mil réis gold;* the former by the letters v. p., the latter by the letters v. o. Also have be used these abreviations : c = capital ; k = kilogramme ; g = gramme ; t = ton ; s = sack or bag with 60 kilogr ; op = workingmen ; an p = annual production.

or 112.794:260$ v. o.; *c)* manufactured commodities 538.017:338$ v. p. or 315.826:926$ v. o.; *d*) articles for food and for forage 222.390:427$ v. p. or 131.786:946$ v. o.

Money and bank notes imported in the same year amounted to 44.475:082$ v. o. Adding to the foregoing figures, the sum of the import amount value will be now... 1.026.421:261$ v. p. or 608.249:634$ v. o.

As to exportation in 1912, its value was 1.119.737.180$ v. p. or 663.547:952$ v. o., so classified: — *a)* live stock and animal products 46.735:249$ v. p. or 27:694$961 v. o.; *b*) mineral products 13.257:147$ v. p. or 7.856:085$ v. o.; *c*) vegetable products 1.059.744.784$ v. p. or 627.996:906$ v. o. Money and bank-notes exportation..... 12.994:295$ v. o., which being added to the other figures, reaches the total value... 1.141.365:053$ v. p. or 676.542:247$ v. o.

The comparison between the import and export amounts, as stated, with exception of money and bank notes, shows:

Import 951.369:558$ v. p. or 563.774:552$ v. o.

Export 1.119.737:180 v. p. or..... 634.547:952$ v. o.

Balance 168.367:622$ v. p. or..... 99.773:400$ v. o.

— The corn flour imports were..... 189.655.343 k. in the total value of.... 36.259:832$ v. p., in this proportion: Argentina 109.540.388 k., v. 17.644:419$; — the United States 54.840:190 k., v. 10.248.942$; Austria-Hungary 1.491.993 k., v. 173:085$; Uruguay 22.986.024 k., v. 363:265$000.

——

On the other hand, the two principal products of Brazilian exportation, coffee and rubber, present the following figures: the quantity of coffee export was 12.080. 03 s.. v. 698.371:183$ v. p. or 413.849:588$ v. o.; having had this destination: United States 5.092.661 s., v. 294.116:136$ v. p. or..... 174.291;042$ v. o.; Germany 1.820.407 s., v. 106.03 :964$ v. p. or 62.836:127$ v. o.; France 1.187.268 s., v. 68.283:586$ v. p. or 40.464:347$ v. o.; Holland 1.183.255 s.. v. 69.680:445$ v. p. or 41.292:114$ v. o.; Austria-Hurgary 957.886 s., v. 55.293:745$ v. p. or 32.766:663$ v. o.; Belgium 405.583 s., v. 23.494:195$ v. p. or 13.922:486$ v. o.; Argentina 237.169 s., v. 13.647:913$ v. p. or..... 8.087:652$ v. o.; Italy 205.605 s., v..... 11.809:740$ v. p. or 6.998:634$ v. o.; Great Britain 171.201 s., v. 9.938:571$ v. p. or 5.889:524$ v. o.; Sweden 164.418 s., v.

9.481:865$ v. p. or 5.618:883$ v. o.; British Poss. 129.109 s., v. 7.163:558$ v. p. or 4.245:070$ v. o.; Spain 112.384 s., v..... 6.517:049$ v. p. or 3.861:955$ v. o.; French Poss. 91.764 s., v. 5.009:868$ v. p. or..... 2.968:811$ v. o.; Uruguay 36.573 s., v. 2.023:916$ v. p. or 1.199:358$ v. o.; various countries 285.020 s., v. 15.874:632$ v. p. or. 9.406:922$ v. o.. Total 12.080:303 s., v. 698.371:183$ v. p. or 413.849:588$ v. o.

— Rubber exports in 1912 per countries of destination: United States 21.321.590 k., v. 121.585:061$ v. p. or 72.050:407$ v. o; Great Britain 14.728.257 k., v. 86.657:526$ v. p. or 51.362:607$ v. o.; France 4.436.374 k., v. 25.005:053$ v. p. or 14.817:806$ v. o. Germany 1.660.235 k., v. 7.414.937$ v. p. or 4.394.064$ v. o.; Belgium 126.144 k., v. 722:554$ v. p. or 428.179$ v. o.; Uruguay 10.641 k. v. 30:246$ v. p. or 17:923$ v. o.; Italy 1.460 k., v. 4:933$ v. p. or 2:923$ v. o.; Portugal 1.225 k., v. 4:463$ v. p. or 2:644$ v. o.; Argentina 143 k., v. 563$ v. p. or 334$ v. o. Total 42.286.089 k., v. 241.425:372$ v. p. or 143.066:887$ v. o.

From this statement it will be seen that the United States continue to be the best coffee and rubber consumer of Brazil, — which form the two chief-staples of our exportation.

In examining now the figures of import and export relating to three of the principal countries in Europe and three other in America, we will find as follows:

England — import 239.554:161$, export 132.918:357$: balance — 106.635:804$; Germany — import 163.636:048, export..... 160,272:200$: balance — 3.363:848; France— import 85.651:525$, export 109.614:167$: balance — 23.962:642$; United States — import 148.485:544$, export 438.008:906: balance — 289.523:363$; — Argentine — import 71.349:377$, export 43.916:647$: balance — 27.432:730$; Uruguay — import 23.821:933$, export 12.844:047$: balance — 10.977:866$.

— Looking at the information and figures respecting the natural riches and industrial and commercial conditions of Brazil, it becomes manifest, that it possesses numerous and abundant elements and resources for the largest development and prosperity, yet very far from what it should be.

We want, above all, two principal factors for our progress, — the increase of population, and the increase of capital. The former may be furnished a great deal by immigration; the latter is to be borrowed from the country or countries, which are willing to lend or to invest it in better conditions.

Being so, it is apparent that the economic conditions of Brazil and North-America are somewhat complimentary to each other; the former possesses enormous natural resources and riches, and lacks capital for their profitable exploitation; the latter possesses an enormous surplus-capital, and is trying to find out where to invest it in the expectation of better returns.

— The eminent writer James Bryce, in his recent book «South America, Observations and Impressions», referring to Brazil, says: «All of this country is valuable for cultivation, for pasture, or for timber, and it contains rich mines... Taking Brazil as a whole no great Country in the World owned by an European race possesses so large a portion of land available for the support of human life and productive industry. In the United States there are deserts and of the gigantic Russian Empire much is desert, and much is frozen waste. But on Brazil nature has bestowed nothing for which man cannot find a use.»

The economic situation of the other South American Countries is, in this or in that way, entirely similar to that of Brazil.

— This brings me to insist again on new quotations relating to subject-matter, in order to emphasize, that every day is more and

more prevailing the belief in the efficiency of measures tending to promote the growth of economic relations between South and North America.

During the St. Louis Exhibition, wherein Brazil has been represented, Marshall Souza Aguiar, the Brazilian Commissioner General to the «World's Fair», there being opportunity to discuss trade matters, said: — «Your people pretend to want our commerce, but you will not go half way to get it.

« You cannot have trade without adequate transportation and banking facilities, and as it is, you are now relying entirely for these things upon the British and German.

«There are three lines of slow steamers plying between New York and Brazil, but they are all foreign, and they charge you a big tax for freight and exchange.

«What Brazil wants is direct steamship connection with the United States, and she is ready to join your Government in subsidizing a line of American steamers.

«We will pay half of the subsidy and you may pay the other half and take all the profits.

« We have offered to do this again and again, but your Congress will not consent.» (8)

(8) From «St. Louis Republic» Feb. 10, 1904.

Two years ago, Hugh Mac Nair Kahler, Vice-President of The Latin American Chamber of Commerce, looking at the subject under a peculiar feature, wrote : (9)

«Commonest of all such delusions affecting our commerce with Latin-America is the very deeply rooted and nearly universal belief, that Europe is a preferable field for export effort... Until one year ago Europe was inquestionably our best foreign customer.

« But until one year ago the major portion of our export had consisted of raw products, grains, meats, textiles, crude metals, rough timber, etc. which naturally found their logical market in the crowded manufacturing countries of Europe...

«But in the year 1910, for the first time, our exports manufactured goods exceeded our foreign sales of raw products. We are no longer a farming nation, save for our own needs.

«Our surplus for export, will hereafter tend steadly toward the more involved types of manufactured goods which leave us the maximum number of profits and bring us the maximum price abroad...

«Opposed to the inevitable competition

(9) «Current Misconceptions on trade with Latin America».

which successful export of manufactured goods to Europe must invite, Latin America presents a field in which the possibility of local manufacture is so remote as to be quite outside of present consideration...

«Latin America draws its income from the production and export of a few agricultural products, certain precious metals, a few textiles and a relatively insignificant amount of hard woods. Its principal sources of revenue lie in rubber and chocolate and coffee, aside from the grain and beef of Argentina and Uruguay and the nitrates of Chili. And rubber and chocolate are nearly unique in two respects.

« First, their price has almost no relation to their cost of production, the demand being far in excess of the supply, and second, their production does not exhaust the soil, but can be continued indefinitely, with little attention, without fertilizer, and with practically no skilled labor or machinery. Under such conditions, even an increasing population can scarcely bring about the establishment of the less profitable manufacturing industries for which the larger portions of the territory are, be it remembered, topographicaly and climatica'y unfitted, and which require capital, skilled labor and close attention both to production and to sales.

«European *predominance*, where it exists, is due very largely to priority, and in a relatively insignificant degree to lower prices, more intelligent methods, or better facilities. And European predominance is by no means so extensive as it might appear, which is another misconception which merits individual attention.

« English sales to Brazil, for example, are much larger than ours, despite a certain degree of reciprocity in tariff arrangements which favors us. But on examining the nature of English export to Brazil, it appears that more than the entire excess over our own sales is made up of coal, coke, cinders, jute bags and cotton yarns!

« None of these is an item in our own export, and none of them offers any great volume of profit to the seller. Quite frequently an apparently enormous difference between our sales and those of some European nations, can be accounted for in the same manner, — Spain, with her wines and grapes; France, with her wines, liqueurs and clothing; Italy, with macaroni and olive oil; Germany, with dye-stuffs and toys, all hold a large volume of trade without fear of competition, just as we ourselves hold the field in typewriters, phonographes, sewing machines and hawesters.

— Referring to the same points of view under consideration, Wilfred U. Schoff, Secretary (10) of the Commercial Museum at Philadelphia, said :

« For, there can be no question that in the less developed countries there are many legitimate opportunities promising a richer return than is usual at home and that such investments must strengthen our own position and further stimulate our own development. And in that direction follow the extension of trade, the advancement of commerce and industry, and the better realization of that noble dream, the sisterhood of the American Nations...

«Neither is the absence of vessels under the American flag, often urged as a discouraging factor, any real reason for the relatively poor showing of our trade.

«Steamers of other nationalities there are plenty, offering frequent sallings from our ports and excellent accommodations...

«Of more importance is the reason, also frequently urged, that there are no American banks. This is very near the root of the matter. For while in matters of exchange

(10) «Investment of American Capital in Latin American Countries.»

alone, it is entirely feasible under existing facilities to finance any transaction of international trade with our sister Republics, the absence of American banking houses means the absence of Americans interested in making loans and investments, in creating those conditions of prosperous development which in turn create a market for foreing goods and lead the beneficiary to turn naturally for advice and for trade to his benefactor. This is the weakest point in our present relations with Latin America. Our position is selfish. We offer a surplus stock of goods, not always in a way to suggest interest in continuous relations, and we tender no assistance that can be compared with that offered by our competitors.

«Investment of capital in legitimate development is the surest way to bind these Republics to us in friendly relations and in mutual commerce...

«The more powerful and advanced of the South American Republics are Chili, the River Plate countries, and Brazil...

«And in these Countries there is no American Bank, no systematic study of the many opportunities for American investment, and but a meager representation of American business houses; while Valparaizo, Buenos Ayres and Rio de Janeiro are full of just such out-

posts of progress representing all our European competitors, watchful over the needs and desires of twenty-seven millions of people...

« But the rapid increase of wealth in those countries is constantly leading to new projects affording promise of safe and substantial returns; in which an enlarged interest on the part of American capital will be at once profitable and productive of a feeling of greater cordiality and solidarity on the part of these progressive nations, whose co-operation is so desirable in the defense of American unity and progress.

« The influence of an American investing interest in these southern Republics would be mutually stimulating and beneficial.

«In Brazil, great as has been the total of English investment, and advanced as the work of development has become, the future possibilities are incalculable.

«The improvement and growth of this great Nation will be one of the features of the coming century. More closely bound to us by ties of friendship than most of the South American Republics, sending us the major part of her greatest staples, the possibilities of cooperation are enormous. The very fact of the extent of the present investment of European countries will tend to turn Brazilian leaders

toward seeking a larger share of help from the United States. And every increase in such accommodation will be reflected, inevitably, by an increase in the exchange of goods between the two Countries. Trade is no matter of sentiment, and other things being equal, a nation buys where it can get the best terms.

— Hon. John Barrett, Director of the International Bureau of American Republics, after having discussed the question of tariff as the first in importance, added [11]: «The second is the improvement of our shipping facilities. Now I am just going to utter a single word about the so-called ship-subsidy. I am just going to present it in this light: Where would the great cities of our country be, where would our vast commerce in our own country be, if we did not have fast mail, fast express, and fast passenger trains? Where would New York, Chicago, S. Louis and St. Francisco be, if they were dependent upon freight trains alone to carry the mails, and carry passengers, and carry fast express? The situation with all Latin America to-day is that we have pratically only a freight service on the lines of the seas between here and South America. In other

[11] «South America — Our Manufacturer's great opportunity.»

words, we have pratically only freight vessels. Now if we are going to find cargoes to fill those vessels, we shall have another class of vessels that will carry the letters back and forth between the manufacturers of this country and the importers of that part of the world, that will bring their buyers up here and take our sellers down there, and that will enable us to dispatch our manufactured products down there, quickly when they want they want them dispatched quickly».

— Hon. Henry White spoke [12]; «It is deeply to be regretted that those vast fields for lucrative investment to the South of us, particularly in the far South, have unfortunately attracted little or no attention among our own people...

«It is to my mind of the greatest advantage to all America, and to this country particularly that there should be at the southern end of our hemisphere three important powers in complete sympathy (he refers to Argentina, Brazil and Chili) with each other and with ourselves, and anxious to develop trade relations to the greatest possible extent with us.

«Those great Countries are above all things

[12] Address delivered at the Pan-American Commercial Conference-Washington. Feb. 17, 1911.

desirous that our merchants should come there and do business with theirs, and they cannot understand why we should so long have neglected the opportunities they offer us, and should have left them entirely in the hands of other great commercial countries...

«There are a number of British, German, Italian and other foreing banks in the Latin American cities, and what is perhaps most important of all, the citizens of the countries named go to Latin America themselves — or send fellow citizens in whom they confide, knowing the language of those countries — and attend in person or through such fellow citizens to their own business.

«But how it is with us — the nation of all others whose influence should be felt in those countries? Not a single American Bank in Buenos Aires or Santiago; the official representatives of our Country having to cash their drafts on the Treasurer of the United States through a British or other bank in same European city. One direct passenger steamer, a month from New York to Buenos Aires and intermediate ports on the coast of South America, taking about twenty-five days for the voyage, and another requiring a change of steamers at Rio, in about the same time; and those ships under the flag of another country!

« In addition to this, scarcely an American is to be found permanently representing American business interests in Buenos Aires; even the sale of the machines of one of the greatest of our agricultural machine manufacturers being in the hands of an agent not of our own nationality, who also sells similar machines from his own country. Can that man be blamed if he gives the preference to the machines of the country from which he hails, and only sells ours when they are asked for? Of course not...

«I would merely say that in my opinion, there is but one way — and one way only — by which that intercourse can be placed on a proper footing, and that is by ships of our own, such as the other great commercial countries of the world, who now practically monopolize the trade with South America, have. By ships I mean first-class, fast passenger and freight carrying steamers, flying the American flag between our ports and those of Central and South America.

«Nothing can be more derogatory to our dignity and our interests in those countries than the fact that our flag is never seen there on merchant steamers...

«For this reason, I cannot help regretting the fate which seems likely to befall in Con-

gress the bill popularly known as the Gallinger Ship Subsidy Bill, providing moderate subsidies for steamers of not less than sixteen knots, running between our ports and those of Central and South America.

«It was only passed in the Senate by the Vice President's casting vote, and will, I am told, be defeated in the House of Representatives...

«Nations are like individuals ; they cannot become intimate with each other unless their respective citizens meet from time to time, and exchange views in personal intercourse. Still less are they likely to trade freely and to have confidence in each other save under such conditions...

«I would therefore urge the great commercial bodies of the country, whose representatives are here to-day, and those who are not represented also, to bring all possible pressure to bear upon members of Congress from their respective districts, with a view to turning their attention to the restoration of our merchant marine, at least to the seas between our ports and those of Central and South America; whether by subsidies or otherwise, I care not, so long as we have the ships !

——

In quoting these somewhat extensive opinions, I have had a double purpose : first, to

emphasize that in the opinion of North American leading-men, it belongs so much the more to the American people themselves to carry out the means, so often urged as capable of success ; second, to express my persuasion that those so suggestive and authorised opinions can not fail to influence upon those who are actualy endeavouring to reach their profitable intent in that direction.

Nevertheless, as respects the predominance of commercial relations between some European Nations and South America, it is much interesting to repeat, that it does not mean, in any way, a feature of *exclusive preference* toward such Nations, but only a situation as resulting from these well known factors : —the priority of such relations in South America, —the always increasing existence of commercial houses, banks and industrial establishments of various kinds belonging to them, — and, above all, the continuous investment of European capital in the business-affairs of the Countries of South America.

Try the North-American producers and capitalists, willingly, to do the same thing : to do it to the same extent and in the same spirit and belief ; and there cannot be any doubt, they will get also equal, or more advantageous returns.

The fact that the North American trade with the South has doubled in the past decade is an evidence, that the South American Countries are willing to meet the aims of the North Americans in this direction. Let me say and repeat once more: while the English, German, French, Italian, and Spaniards extend profitably their influence in the South, by founding banks and trading houses, by increasing their steam lines, and by the investment of their capital in South American business and enterprises, — the absence of North American financial institutions acting for the United States is complete (12).

The truth, however, is this — the South American people are eager every where for foreign capital to aid the development of their natural resources and incipient manufacturing industries.

It belongs to the past talk about the prejudice of South America against the United States.

The South American merchant will buy from the North American producer or exporter just as quickly as he buys from any European producer or manufacturer, provided the former show him a price so that he can buy from the

(12) «Annals of the American Academy», quoted above.

latter. Such is the only preferred rule in business-matters.

I want to say again one thing more: North American people, that desire to engage themselves in the trade and commerce in this hemisphere, must have closer aquaintance with South American people. It is an indispensable condition of mutual confidence in their profitable relations.

And I am much gratified by remembering that, regarding this especial point, Hon. Elihu Root, the United States eminent Senator from New York, is also of the same opinion, when he said:

«At the basis of all intercourse, commercial as well as social, necessarily lies a genuine good understanding. People trade with those with whom they have sympathy, they tend to trade with their friends. The basis of all permanent commercial intercourse is benefit to both parties – not that cutthroat relation which may exist between enemies, where one is trying to do the other,—and a relation upon mutual respect, good understanding, sympathy, and friendship, and the way to reach the condition which is thus essential is by personal intercourse and acquaintance between the men of Anglo-Saxon or German, or Norse, or whatever race they may be, peopling the United

States, and the men of the Latin American race peopling the countries of the South. This is something... in which our people are very deficient.

«So long we have been separated from the other Nations of the earth, that one of our faults is a failure to appreciate the qualities of the people who are unlike us.

«Difference from us does not involve inferiority to us. It may involve our inferiority to somebody else. The sooner our business men open their minds to the idea that the peoples of other Countries, different in races and speaking different languages, and with different customs and laws, are quite our equals, worthy of our respect, worthy of our regard, esteem, and affection, the sooner we shall reach a basis on which we can advance our commerce all over the world.» ([14]).

Now, after all these statements and opinions, heretofore mentioned, I do not hesitate to assert and conclude, that the profitable solution of the great problem depends chiefly on the part of North America herself.

There is no reason why her merchants and producers should not obtain from the South trade advantages similar to those, which have

---

([14]) «Individual Effort in Trate Expansion».

been secured by the merchants and exporters of Europe. The South American Republics continue to offer greater and more reliable inducements than any other country.

They continue to lack the capital, to lack the labor, to lack the fuel, which are necessary, before they can become great manufacturing countries. This is the fact, all the fact.

I have no more to say, except to close this article by expressing my most sincere belief in the effort of the Delegation of the Chamber of Commerce of Boston, fortunately at present in our city.

Distinguished, as it is, for their exalted intent, distinguished for the leading and learned men who compose it, and, probably, already in the possession of all information and data, which it has had in mind to obtain through its excursion to the South American countries, — I hope, the same will be enabled to co-operate efficiently to be closed the cycle of discussions and plans, only capable of general expectation, — and to cause the North American capital and products to come into our lands, our cities and our markets, securing herein the best profits and returns.

To meet them the doors of our markets, of our industries, of our commerce internal and international are, all of them, opened by

the hand of Brazilian people, the sincere friend of North American people in every situation.

I am sure, will not be different the feeling of our other sisters South American Republics in this respect.

And with the increasing of ties, which the reciprocal progress of trade and commerce will naturally bring about, — will occur at once new motives of greater sympathy and friendship among the American people of the South and North, — which shall finally consubstantiate itself into a permanent and indestructive basis of peace, prosperity and wealth over the whole Continent.

Rio, June, 1913.

COLUMBIA UNIVERSITY LIBRARIES

This book is due on the date indicated below, or at the expiration of a definite period after the date of borrowing, as provided by the library rules or by special arrangement with the Librarian in charge.

DATE BORROWED	DATE DUE	DATE BORROWED	DATE DUE
	JAN 1 1 '52		
C28(251)100M			

12986

END OF
TITLE